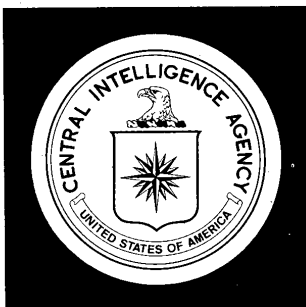


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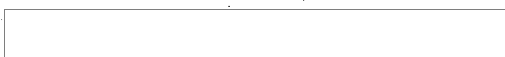
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'The President's Daily Brief

January 19, 1974

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~~*Top Secret*~~

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

January 19, 1974

PRINCIPAL DEVELOPMENTS

President Sadat has left Egypt for a tour of Arab capitals that will end in Syria, seeking to dispel doubts about the disengagement accord. (Page 1)

Soviet

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Chinese forces drove South Vietnamese Marines off an island in the Paracels yesterday. (Page 4)

Thai Prime Minister Sanya has offered to resign in the face of charges that his government has been ineffective in dealing with public disorder. (Page 5)

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Soviet

(Page 6)

Soviet

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(Page 7)

President Bourguiba is leaving for a rest in Switzerland.

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(Page 8)

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Notes on Japan-Iraq, Indonesia, North Korea, South Korea, and Angola-Zaire appear on Pages 9 and 10.

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MIDDLE EAST

President Sadat left for Saudi Arabia last night, beginning a tour that over the weekend will also take him to several Persian Gulf states and Syria.

He will arrive in Damascus on Sunday. While there, Sadat will try to convince President Asad that Egypt is not seeking a unilateral settlement with Israel.

Public Egyptian comments on the disengagement agreement signed on January 18 have been designed to allay Syrian misgivings. Sadat said yesterday that the negotiations should concentrate on Syrian-Israeli disengagement before the Geneva conference is resumed.

By implying that the conference may not be reconvened until Syria has achieved progress to match Egypt's, Sadat probably hopes to make it clear to Syria and the other Arab states that Cairo will not act except in concert with all Arabs. Indicative of the kind of problems which Sadat may encounter from some Arabs, a fedayeen broadcast from Baghdad last night bitterly attacked Cairo's agreement with Tel Aviv as "treasonous."

Egypt is trying to adapt its comments to Syrian policy. Syrian Foreign Minister Khaddam insisted earlier this week that disengagement of forces on the Egyptian and Syrian fronts must occur simultaneously, and be linked to an Israeli commitment to withdraw from all occupied Arab territory. Syria's willingness to enter into talks with Tel Aviv may hinge in large part on whether Damascus is satisfied with whatever understanding Sadat has reached with Israel on future withdrawal.

According to an Iraqi broadcast, the Syrian Government has denied an earlier press report that Damascus threatened on Thursday to sever relations with Cairo over the terms of the Egyptian-Israeli agreement.

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USSR - MIDDLE EAST

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[redacted] the Soviets have publicly reacted calmly to the disengagement announcement. Press reports had suggested that the announcement would be issued simultaneously in Moscow as well as in Cairo, Tel Aviv, and Washington, but the Soviets in fact merely reported President Nixon's announcement of the agreement. In their subsequent reporting, the Soviets have, so far, confined themselves to brief factual coverage--although they have tended to slight Secretary Kissinger's role in the talks.

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CHINA - SOUTH VIETNAM

Early this morning Chinese and South Vietnamese troops clashed on an island in the Paracels believed to be Duncan Island.

South Vietnamese authorities reported that about 75 marines landed on the island and were surrounded by at least two companies of Chinese troops. Prior to the South Vietnamese landing, at least two Chinese ships and perhaps more were anchored off the island, and two or three Chinese jet fighters again overflew the area.

The South Vietnamese have pulled their forces from the island, reporting three marines killed and two wounded. Saigon has also recalled naval and troop reinforcements that had set out for the Paracels.

South Vietnamese naval units exchanged fire with Chinese ships near Duncan Island; a Chinese ship and all of the South Vietnamese ships were hit, and at least one South Vietnamese vessel has sunk. Firing was also reported between one of the Chinese ships and a South Vietnamese fighter aircraft, apparently sent to escort the ships back home.

The South Vietnamese are unlikely to seek further combat in view of the apparent Chinese determination to use force. Each side will accuse the other of starting the fighting, but it is unlikely that either seeks a prolonged military confrontation over the islands.

Both sides have long maintained some presence in the Paracels. The current flare-up appears to have been touched off by a recent renewal of conflicting claims to other islands in the South China Sea. Last fall, the South Vietnamese repeated their claim to the Spratly Islands, a group south of the Paracels, prompting a Chinese Foreign Ministry statement earlier this month that reaffirmed China's claim. At the same time, Peking repeated its claim to other island groupings in the South China Sea, including the Paracels, as well as "the natural resources in the sea around them."

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THAILAND

Prime Minister Sanya has offered to resign in the face of repeated charges that his government has been ineffective in dealing with public disorder. Sanya

is to meet with King Bhumibol today to request that he be allowed to step down. The King, however, probably will reject his request.

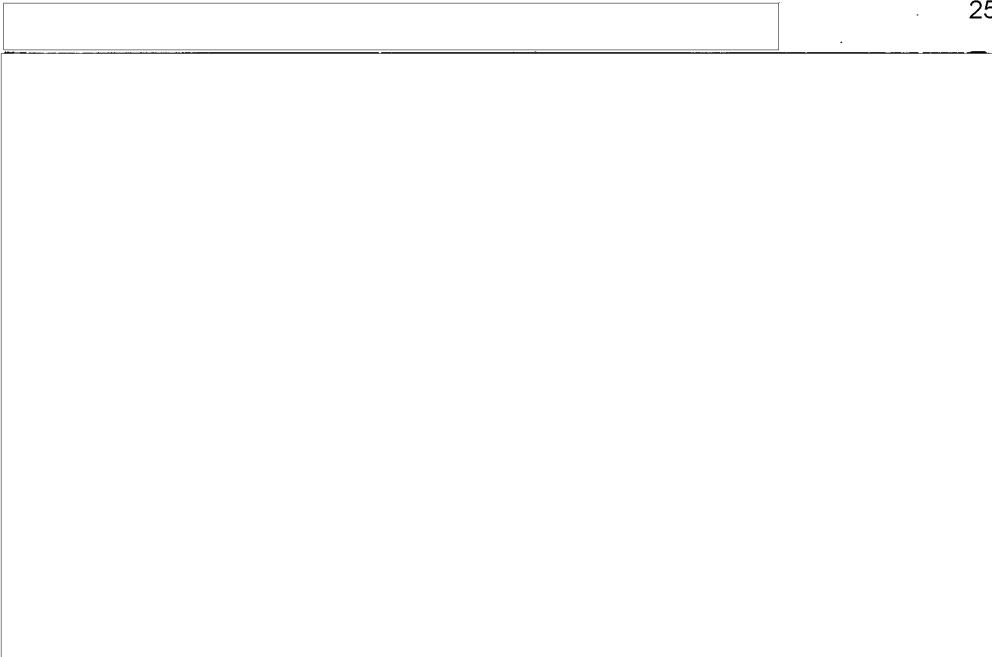
The tumultuous student demonstrations last week against Japan and the US have also served to aggravate concern within the conservative elite--and particularly among army officers--that the government is losing control.

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While the King shares Krit's concern, he is deeply committed to a civilian form of government and would probably turn to the military only as a last resort. Moreover, the situation in Bangkok has returned to normal, which should help to settle Sanya's nerves and ease the army's concern. If Sanya insists on stepping down, the likely outcome is the formation of a new civilian government, perhaps with some military officers in key cabinet positions.

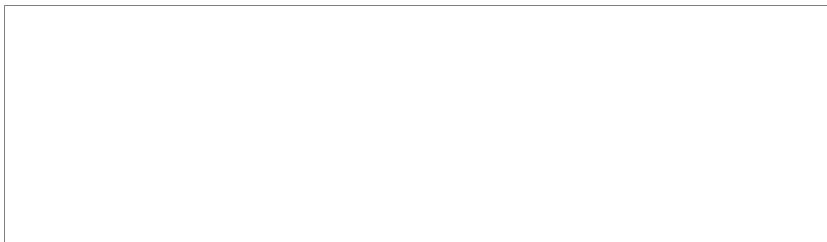
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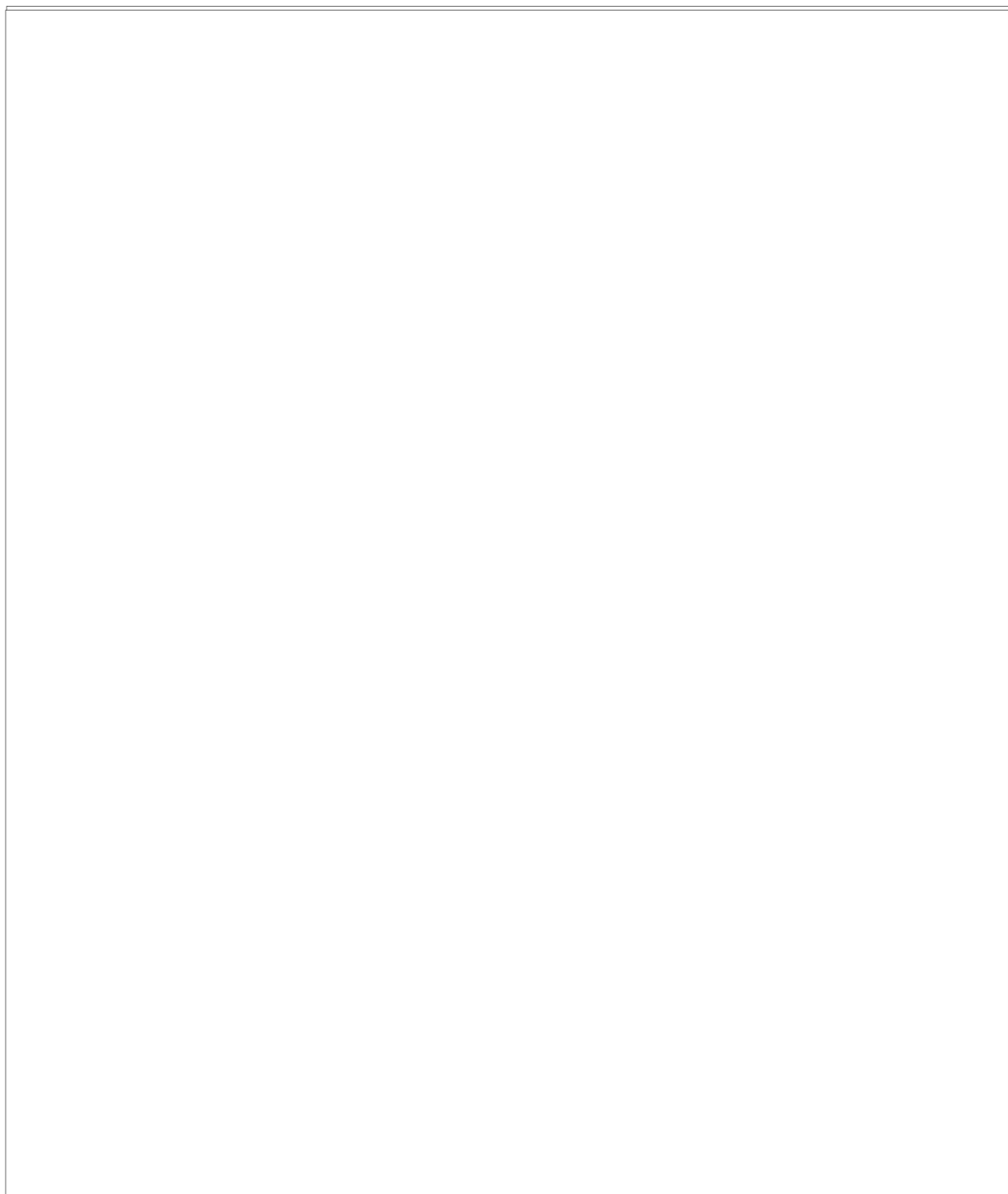


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TUNISIA

[redacted]
[redacted] Tunis radio has announced that Bourguiba is leaving today for a rest [redacted] in Switzerland.

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The issue of succession once more dominates Tunisian politics. Bourguiba has been vacillating on reforms necessary to ensure an orderly transfer of power. His recent actions, especially his rapid retreat from an agreement to merge Tunisia with Libya, will weaken his prestige and eventually his capacity to govern.

Bourguiba probably values his friendship with the US more than ever as he approaches the end of his rule. Most of the presidential hopefuls around Bourguiba, such as Prime Minister Nour, also attach importance to friendly ties with the US. When Bourguiba passes from the scene, however, Tunisia's foreign policy will probably become more visibly nonaligned and less pro-Western.

Among the more prominent contenders for power, Mohamed Masmoudi, the recently dismissed foreign minister, is the least favorably disposed to the US. He is the chief Tunisian advocate of closer ties with Libya and as foreign minister he sought a more active role for Tunisia in Arab politics.

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NOTES

Japan-Iraq:

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Indonesia: Jakarta is now quiet, but radical students in the East Java city of Surabaya are demanding that the government close down local entertainment spots by January 19; otherwise, the students threaten to close them forcibly. Although the number of students involved is very small, police fear that in the aftermath of the Jakarta riots it would not take very much to spark a rampage in Surabaya. Local authorities are attempting to persuade the Chinese owners of the offending establishments to close down temporarily until the tension subsides.

North Korea: In recent weeks the North Korean Air Force has begun routine flights near the Demilitarized Zone and the Northern Limit Line. North Korean sorties, including these flights, have increased almost 50 percent above normal since early December. Pyongyang presumably wants to be able to respond quickly should its dispute with South Korea over offshore islands produce an incident.

South Korea: Seoul plans to double the manpower in its navy and to acquire several new warships by the early 1980s. The navy is to expand to about 55,000 men, exclusive of the 26,000 marines whom the navy absorbed last fall. The modernization plan calls for acquisition of two submarines, three destroyers, and one destroyer escort as well as several naval attack aircraft, tactical missiles, and patrol boats.

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Angola-Zaire: Portuguese officials in Angola believe there may be a marked increase in guerrilla activity in the near future, perhaps with the assistance of the Zairian Army.

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While Zaire's President Mobutu would probably not commit his own forces to the fighting, he could provide logistical and advisory support. The Portuguese believe they can counter the insurgent threat.

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